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Roundup

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The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

GRAIN AND FEED

Reports of lower-than-expected corn production in FRANCE could mean additional EUROPEAN COMMUNITY (EC) import demand for third-country exporters like the United States in 1984/85. In recent years, France has become the major corn supplier to other EC countries, exporting nearly 5 million tons in 1983/84. In contrast, U.S. corn shipments to the EC have steadily fallen from over 16 million tons in 1976/77 to about 3 million tons in 1983/84. With French corn production down, EC import demand for third-country corn will be up, particularly in Italy and West Germany, which still import large quantities of corn for feed use; U.S. corn is generally preferred for industrial uses. However, increased use of bumper domestic supplies of barley and wheat could partially replace corn and mitigate the expected higher demand for imported corn.

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The 1984/85 rice production forecast for JAPAN of 13.9 million tons (rough basis) reduces the likelihood that Japan will require further rice imports later this year or in early 1985, dimming hopes for possible U.S. rice exports to Japan. Four successive poor crop years and the loss of at least 58,000 tons of old crop rice due to bromine contamination had forced Japan to arrange the import of 150,000 tons of rice (brown basis) from South Korea to boost government rice stocks. If current production forecasts are reached, Japan should not require substantial imports in the 1984/85 (November/October) marketing year, although supplies will likely again be tight by September of next year.

In the SOVIET UNION, the ninth 1984 harvest progress report of the season stated that as of August 20, some 61.4 million hectares of small grains and pulses had been cut. This compares with 75.7 million cut by August 22 last year and 64.7 million by Aug. 23, 1982. A slowdown in the harvest pace appears to be due to the later-than-normal harvest in the eastern half of the country, according to the U.S. agricultural attache in Moscow. USDA currently estimates 1984 Soviet harvested area at 116.2 million hectares for small grains and pulses and 4.3 million hectares of corn for grain.

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ITALY's 1984 total grain production is estimated at a record 18.8 million tons, 7 percent above last year's drought-reduced crop, according to the U.S. agricultural counselor in Rome. This year's wheat crop is estimated at 9.5 million tons, an increase of 12 percent from 1983, and consisting of 5.4 million tons of soft wheat and a record 4.1 million of durum. The 1984 wheat crop has a high dockage level owing to above average foreign material. The cool, wet spring weather and cooler-than-normal summer temperatures resulted in above average weed growth in the wheat fields. Total coarse grains in 1984 are estimated at a record 8.6 million tons, 4 percent above last year's crop. The barley crop is estimated at a record 1.5 million tons, an increase of 24 percent from last year. Favorable weather and the gradual improvement in barley varieties were responsible for the record yields produced in 1984. The 1984 corn crop is estimated at 6.6 million tons, about the same as last year's harvest. Rice production is estimated at 647,000 tons (milled basis), 4 percent below last year.

MALAYSIA's 1984/85 rice crop is forecast at 1.91 million tons (rough-basis), up 5 percent from last season's harvest, according to the U.S. agricultural attache in Kuala Lumpur. Despite a general improvement in rice yields, area devoted to rice has dropped sharply from previous highs. In the past three years, rice area has averaged 640,000 hectares, 100,000 fewer than in the mid-1970s. This decline in rice area is partly attributed to urbanization and the switching to more lucrative crops.

OILSEEDS AND PRODUCTS

INDIA's Groundnut Extraction Export Development Association expects peanut meal exports in 1984/85 (April/May) to be maintained at last year's level of 290,000 tons. A target export level of 400,000 tons was announced in July of this year.

The SOVIET UNION's imports of soybeans and meal, in terms of meal, are down by more than 90 percent thus far in 1984, compared with the same months in 1983, based on latest available export data from the United States and selected major exporting countries. Similarly, Soviet imports of soybeans and oil, on an oil basis, are lagging the comparable 1983 period by 68 percent. The data below, in 1,000 tons, are presumed to represent the bulk of total Soviet imports of soybeans and products:

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Item and origin	Calendar Year			Period	1983	1984
	1981	1982	1983			
Soybeans:						
U.S.	34	649	561	Jan-Jun	199	46
Brazil	497	256	128	Jan-Jul	117	0
Argentina	717	716	636	Jan-May	78	0
Total	1,248	1,621	1,325		394	46
Soybean oil:						
Argentina	0	0	15	Jan-May	0	21
Brazil	74	74	54	Jan-Jul	31	20
Spain	27	88	56	Jan-May	52	6
France	0	0	33	Jan-May	33	4
Belgium	0	0	17	Jan-May	1/	1/
Total	101	162	175		116	51
Soybean Meal:						
Brazil	498	931	1,174	Jan-Jul	809	0
Netherlands	562	586	1,041	Jan-May	760	8
W. Germany	31	33	265	Jan-May	199	0
Belgium	50	30	88	Jan-May	1/	1/
Total	1,141	1,590	2,668		1,768	8
Total:						
Meal	2,133	3,339	3,721		2,081	45
Oil	322	449	410		186	59

1/ Data not available.

In 1983/84, despite somewhat smaller Soviet oilseed production and continued expansion in livestock product output, consumption of high protein meals is registering a decline. This decline is resulting in reduced imports of oilseeds and meals, chiefly soybean meal. Soviet soybean oil imports in 1984 are also lagging those of 1983 despite reduced output from indigenous oilseeds. This cut is expected to trim domestic soybean oil use to about 1.8 million tons, down 6 percent from the 1982/83 level.

In 1984/85, Soviet oilseed and oil import prospects are dimmed somewhat by an expected recovery in domestic oilseed production, up 3 percent from 1983/84 and about unchanged from the 1982/83 volume. On the meal side, despite a slight increase in domestic production, a sizable protein feed deficit still exists in the Soviet Union and this should result in some expansion in high protein meal imports, particularly during a season when domestic grain production has been hurt by drought.

DAIRY, LIVESTOCK AND POULTRY

Meat production on state and collective farms in the SOVIET UNION during January-July 1984 was reported 8 percent above the level produced in the seven-month period of 1983. Pork was up 14 percent, while beef and poultry meat were each up 6 percent. Milk production was up 3 percent, with two-thirds of that due to higher per cow yields. Production of eggs also was up 3 percent. Animal numbers continued high, with cattle numbers 2 percent above Aug. 1, 1983, hog numbers up 1 percent, and sheep numbers remaining at the 1983 level.

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In BRAZIL, the National Monetary Council approved on Aug. 1, 1984, an official resolution issued by the Central Bank of Brazil exempting all beef imports from the tax on financial operation through Dec. 31, 1984. Another resolution, by the Customs Policy Council, exempts all beef imports from import tax through Dec. 31, 1984.

The official resolution does not establish any quota, but only states that imports are to "complement" domestic supplies and they will be subject to a joint approval by CACEX (Foreign Trade Office of Bank of Brazil) and the Special Secretariat for Food Supply and Prices of the Planning Ministry.

Although quantities were not mentioned in the resolution, Brazil reportedly will import 70,000 tons of meat, of which 50,000 tons are to be imported by Brazilian meat plants under the "drawback" system, and the remaining 20,000 will be imported by the government for the national meat stocking program during the entressafra (low slaughter period from July through November).

All beef imports are reportedly from Uruguay, as a part of the so-called joint action among Brazil, Argentina and Uruguay against the EC's subsidized beef policy.

The EUROPEAN COMMUNITY COMMISSION lowered its subsidies for exports of canned hams and shoulders to the United States for the third time this year. The new subsidy for canned ham is \$390 per ton compared with the previous subsidy of \$430. The subsidy for shoulders is now \$328 per ton, down from \$352. The decrease is yet another step in lowering subsidies due to a firming of U.S. prices.

In ARGENTINA, the National Meat Board has reported that beef exports during January-July 1984 were only 168,000 tons, roughly 40 percent below last year's exports for the same period. Argentina's 1983 beef exports were 420,000 tons and are forecast at 300,000 tons for 1984.

JAPANESE imports of U.S. broiler meat through June, over 90 percent of which is parts, are roughly one-third below last year's levels due to sharply rising U.S. prices in combination with the continued strengthening of the dollar. Estimated 1984 imports of U.S. broilers are 55,000 tons, roughly 9,000 tons less than last year's level. This is the first drop in Japanese imports of U.S. broiler meat since 1982. Nevertheless, total Japanese broiler meat imports are expected to remain at roughly the same level as last year's 100,000 tons with Brazilian (possibly subsidized) and Thai broiler exports making up for the reduced U.S. exports. Brazilian exports of broiler parts to Japan have increased from roughly 1,000 tons in 1983 to an estimated 7,000 tons in 1984.

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The AUSTRALIAN Meat and Livestock Corporation (AMLC) has announced it will spend \$A100,000 from the lamb promotion fund, in addition to \$A130,000 currently being spent, to promote Australian lamb sales in Japan. Japanese mutton and lamb meat imports are not restricted by import quotas. Imports of lamb during 1984 are expected to total 19,000 tons with New Zealand supplying the bulk, 17,000 tons. Lamb and mutton sales from the United States in 1983 totaled 26 tons, valued at \$77,000, up roughly 75 percent over the 1982 export level. January-June 1984 U.S. exports reached 136 tons, more than 10 times the level for the same months of 1983.

COTTON AND FIBERS

Effective August 1984, MEXICO no longer requires importers to obtain a license prior to importing cotton. However, the following regulations must be met before cotton imports are allowed into the country: Phytosanitary certificate from country of origin specifying shipment contains no pests and diseases; commodity must be packed at no less than 360 kilograms per cubic meter; coating or cover shall consist of cotton cloth; and bales subject to preventive treatments determined by the Mexican government.

TOBACCO

U.S flue-cured tobacco auction prices averaged 9 cents above last season during the first 12 days of 1984 crop sales. With 156 million pounds sold, the average price is \$1.67 per pound, compared with sales of 161 million pounds and \$1.58 during the first 12 days last year. The Flue-Cured Tobacco Cooperative Stabilization Corporation (FCTCSC) has purchased 17.4 percent of the tobacco sold, or 27 million pounds. Stabilization purchases last season were 52 million pounds, or 32.2 percent. (FCTCSC is obligated to purchase all tobacco that qualifies for price support but fails to receive a bid greater than the support price.)

On August 15, the 12th day of sales, the average price was \$1.70 per pound for the 23 million pounds sold. The FCTCSC purchased 16 percent of the sales that day. The quality of the 1984 crop is reported to be very good with demand noticeably stronger than during 1983. Prices are expected to increase as the volume of "up stalk" tobacco moving to market increases.

EUROPEAN COMMUNITY export subsidies for the 1983 baled tobacco crop were fixed in January 1984. Since that time, exports have fallen for certain types of tobacco for which subsidies were not available. To correct this situation, the EC Commission has added the following types and subsidies:

Variety	Subsidy (ECU/Kg)	Countries of destination
Xanti-yaka	0.44	All third countries except Turkey and Yugoslavia
(A) Perustitza	0.44	"
(B) Samsun	0.33	"
Erzegovina	0.44	"

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FRUITS AND NUTS

ITALY's 1984 crops of almonds and filberts are expected to be significantly smaller than last year's near-record harvests. Excessive spring rains adversely affected pollination and fruit setting, resulting in reduced yields. Estimates for 1984 are as follows in 1,000 tons:

	1982	1983	1984 1/
Almonds	16	29	17
Filberts	115	120	90

1/ Preliminary.

COFFEE, TEA AND COCOA

In BRAZIL, a cold air mass on August 26 brought freezing temperatures and frost over parts of the southernmost coffee-producing state of Parana, where the 1985/86 crop is about to enter the flowering stage.

According to the U.S. agricultural counselor in Brasilia, the Brazilian Coffee Institute has not yet made an official estimate of the frost damage, and it will be several weeks before clear evidence of the severity of frost effects can be observed owing to the physiology of coffee trees.

To date, USDA has made no assessment of the possible losses, but plans a field survey of the frost-affected regions in mid-September before issuing a production report on the situation.

UGANDA's green coffee production in 1984/85 is estimated at 3.5 million 60-kilogram bags, 100,000 above the revised 1983/84 output of 3.4 million. The increase is due to good rains in the coffee-growing areas and higher prices to farmers. Exports are expected to be about 2.4 million bags against 2.3 million last year.

Selected International Prices

Item	: August 28, 1984		: Change from	: A year
	:		: previous week	: ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT	\$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	184.00	5.01	+4.50	216.00
U.S. No. 2 DNS/NS: 14%....	172.00	4.68	+5.00	188.00
U.S. No. 2 S.R.W.	152.50	4.15	+1.50	169.00
U.S. No. 3 H.A.D.....	190.00	5.17	+1.50	209.00
Canadian No. 1 A: Durum...	207.00	5.63	0	222.00
Feed grains:				
U.S. No. 3 Yellow Corn....	151.00	3.84	+6.00	164.50
Soybeans and meal:				
U.S. No. 2 Yellow.....	271.50	7.39	+19.50	351.50
Brazil 47/48% SoyaPellets	177.50	--	+3.50	297.00
U.S. 44% Soybean Meal..9/	180.50	--	+4.50	285.00
U.S. FARM PRICES 3/				
Wheat.....	120.51	3.28	+1.10	126.39
Barley.....	93.24	2.03	+1.84	106.10
Corn.....	127.17	3.23	+2.36	133.86
Sorghum.....	100.31	4.55 6/	+1.10	117.28
Broilers 4/.....	1177.92	--	+64.82	1233.03
EC IMPORT LEVIES				
Wheat 5/.....	59.55	1.62	-1.90	64.80
Barley.....	55.45	1.21	-1.30	45.75
Corn.....	34.05	.86	-4.85	31.85
Sorghum.....	64.05	1.63	-1.85	48.05
Broilers 4/ 6/ 8/.....	172.00	--	0	266.00
EC INTERVENTION PRICES 7/				
Common wheat(feed quality)	144.25	3.93	-.20	159.90
Bread wheat (min. quality)7/	154.20	4.20	-.25	176.15
Barley and all				
other feed grains.....	144.25	--	-.20	159.90
Broilers 4/ 6/.....	1136.00	--	-7.00	1085.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	10.45	.28	-2.05	30.15
Barley.....	19.40	.42	-.50	12.90
Broilers 4/ 6/ 8/.....	101.00	--	0	191.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.000 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/Reflects change in level set by EC. 9/ October shipment. N.Q.=Not quoted. N.A.=None authorized. Note: Basis September delivery.

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